## **FISCAL UPDATE Article**

Fiscal Services Division May 10, 2018



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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## END OF SESSION — HF 2467 — SCHOOL STUDENT LUNCHES

**Description.** House File 2467 has two sections regarding student lunch debt in lowa schools:

- Section 1 allows school districts to seek setoff for certain lunch debt pursuant to lowa Code section <u>8A.504</u>.
- Section 2 requires school districts to provide information twice annually to all parents and guardians
  regarding the application process for Free and Reduced Meals, and additionally if a student owes
  lunch debt for five or more meals. This section also encourages school districts to provide a
  reimbursable meal to any student requesting it; makes provisions prohibiting publicly identifying
  students with lunch debt; allows districts to create an unpaid student meals account into which
  districts may deposit moneys received from outside sources for paying student meal debt; and
  requires the Department of Education to work with school districts on creating a model of best
  practices.

**Fiscal Impact.** The estimated increase in cost of staffing across all School Food Authorities (SFAs) is \$245,600, or an estimated average of \$570 per SFA. This includes an estimated \$58,500 for the second notification regarding the Free and Reduced Lunch Program, including the cost of 217 hours of staff time to produce and send the notification and the cost of sending the notification.

The total also includes \$187,100 for the account monitoring and notification for students with more than five unpaid meals; this total assumes that account monitoring and notification will take 15,588 hours, or one hour per week per SFA for 36 weeks. It is possible that some of the SFAs will be able to complete the extra work with staff already available; however, this will be dependent on the SFAs' staffing levels. The offering of a reimbursable meal to students with meal debt is not mandatory, and it is not possible to determine at this time how many SFAs will choose to participate in such a model.

**Enactment Date.** The Act was approved by the General Assembly on April 9, 2018, and signed by the Governor on April 17, 2018. The Act is effective July 1, 2018.

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